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## **Asia-Middle East Corridor: Business Engagement Portfolio Review Documents**

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## I. Ambitions

### Definition of the Portfolio & Position in IMI's 2014 Strategy

This portfolio uses innovative strategies to engage the private sector to play a more proactive role in tackling exploitative practices in the recruitment and employment of migrant workers. We work directly with actors in sectors where abuse is endemic—specifically recruitment agencies and construction firms—that can play a leadership role by employing new approaches and tools.

Business engagement does not, and cannot, represent a total solution to the problems migrants face. Nor is it a replacement for the role of the state in ensuring that workers' rights are protected. That role is exceptionally weak in the Asia-Middle East corridor and needs to be strengthened for lasting progress to be made. This will take time. In the short-term, there are opportunities we can seize to work with actors who are able to exert leverage in specific sectors to reduce the risk of abusive labor practices.

The private sector engagement in this portfolio is coupled with partnerships with civil society to increase scrutiny of business conduct, impact litigation to challenge abuse, and policy reform to prod governments to pursue more robust regulation.

In relation to IMI's 2014 strategy, this portfolio comprises the *Innovations in Recruitment* concept and forms a component of IMI's support for the field in the area of *Recruitment and Employment*. It encompasses twelve grants, one fellowship, and two consultancies, totaling \$529,500; this represents 40 percent of the total budget for the Asia-Middle East corridor in 2014.

### Origin of this Line of Work

This portfolio emerged as the result of a process to devise a sub-regional strategy for the Gulf states that began in 2011. The lack of formal organizing by migrants and constraints on non-governmental actors, the apprehension towards foreign donors, and the limited engagement by Gulf citizens to address problems affecting the migrant workforce have meant that the traditional strategy of supporting civil society interventions would not be viable in the Gulf. There was also a concern to avoid the perception by Gulf states that OSF is unduly interfering in their policies, and in doing so to reduce the risk of adverse consequences for individuals based in the Gulf or for OSF's operations elsewhere in the Arab region.

Through consultations with regional experts, individuals working with migrants on the ground, and colleagues within the MENA Initiative and Arab Regional Office, in 2012 IMI designed a low-key approach tailored to this context. We continued to refine our strategy in 2013 and added a component on private sector engagement and accountability.

### Objectives: What are we trying to achieve?

This portfolio seeks to affect change in the recruitment and employment of migrant workers by capitalizing on a high-profile event—the Qatar 2022 World Cup—and the opportunities this poses to bring about improvements in the Arab Gulf states, where migrants make up 60 to 80 percent of the workforce.

Since winning a bid to host the 2022 FIFA World Cup, Qatar has received unprecedented international attention, particularly in relation to the exploitation faced by migrant construction workers. Its desire to cultivate a positive public image and avoid embarrassing publicity, combined with the scrutiny it will continue to receive from human rights and labor group, creates an important opportunity to push for reforms in the ways migrants are treated in Qatar, in other Arab Gulf states, and internationally. Leadership from the private sector in cooperation with government and civil society could dramatically increase standards for worker protections.

With business practices as the main target, the goal of this portfolio is to ensure that migrants are not exploited in the recruitment process and are employed under just and equitable conditions. In the long-term, there is a need at the national level for more and better laws and regulations, rigorous enforcement of those laws, and transparent licensing systems for recruitment agencies. At the international level, there is a need for greater coordination between countries of origin and destination on regulatory and enforcement measures, and for direct work with migrants to address information asymmetries with respect to their rights in the recruitment process.

In the short and medium term, this portfolio aims to achieve the following:

**1. Private sector**

- Better understand the risks to migrants in the recruitment process and in company supply chains;
- Promote dialogue within specific industries on benchmarks for ethical recruitment and mechanisms to reduce exploitation, including due diligence on recruiters and channels enabling workers to report abuse;
- Promote innovative models of ethical recruitment to demonstrate and popularize good practice.

**2. Government**

- Identify ways capacity can be built for more effective monitoring of recruitment practices;
- Maximize legal protections and remedies to bring immediate relief to migrants and prevent future violations;
- Address discrepancies in national regulation of recruitment practices across borders that create loopholes for unscrupulous businesses, such as with respect to the payment of recruitment fees by migrants.

**3. Civil society**

- Support civil society groups seeking accountability for human rights and labor abuses by business;
- Create platforms to shed light on recruitment agency and business conduct, incentivize responsible practice, and marginalize bad actors;
- Support efforts to help migrants access redress for malpractices;
- Identify groups with specialized knowledge of supply chain management issues to form partnerships with businesses to prevent abuses, and with governments to hold those who commit abuses to account;
- Establish multi-stakeholder initiatives bringing together representatives of business, government, NGOs and trade unions to share views and develop partnerships.

## Why have we chosen this portfolio to review?

The reason for choosing this portfolio is threefold. First, while the aims are specific and clearly defined, this portfolio can benefit from a thorough discussion since this is a new area of engagement for IMI. Second, our effort to influence behavior by a set of stakeholders—businesses—is a new approach in the migrant rights field.

Third, this portfolio was selected because of the urgency and timeliness of the issue in light of the opportunities posed by Qatar's hosting of the 2022 World Cup. The tendering process for World Cup projects is already underway, and as companies' bids are being evaluated and contracts negotiated, this is a pivotal time to ensure that human rights concerns are taken into account. Reviewing this portfolio will allow us to assess the strategy and make adjustments.

In the following pages, we will highlight important developments in the political and funding environment, discuss the nature and scope of investments we are making both in support of the field and to advance our own concept on recruitment, and pose questions we are considering as we implement this line of work.

## II. Macro Context: State of the Field and Trends

International labor recruitment has been selected as a priority for IMI's wider 2014 strategy because this is an area in which governance is particularly weak, and there is both a need and opportunity for leadership. It is a niche in which IMI, through its corridor approach and work at the grassroots and policy levels, is well placed to foster transnational action.

### Asia-Middle East Corridor: Labor Recruitment & the Regulatory Context

The recruitment process is a poorly regulated stage in the migration cycle and is dominated by exploitative intermediaries. Roughly 80 percent of all migrants from Asia working in Arab states are placed in jobs by private recruitment agencies.<sup>i</sup> While some recruiters are honest brokers who serve this function well, regulation is lax and migrants lack power, making it possible for many recruitment agencies to act with impunity.

A Nepali worker can expect to be charged fees many times more than what is legally allowed by the Nepali government if he wants access to a job in Qatar. He has no way of telling in advance whether the recruitment agent will actually deliver on the promise of a visa and job; in fact, deception and fraud are commonplace. He may be promised training or high-paying work, but when he arrives in Qatar, heavily in debt, will discover that his visa is for a different job, with less pay and fewer benefits. He may be told that the employment contract he signed in Nepal is not valid. In the worst cases, there may be no job at all and he may be forced to return home empty-handed, unable to pay off the loan he took to migrate.

Excessive recruitment fees are the main contributing factor to forced labor for migrant construction workers and are a key entry point for this portfolio. Over the past 25 years, as the market share of private recruitment agents has increased, there has been a gradual shift from employers paying fees to migrants doing so. Migrants with the least bargaining power—those at the lowest skill levels—typically pay the highest percentage of their foreign earnings in fees.<sup>ii</sup> For example, in the Bangladesh to Saudi Arabia corridor, recruitment costs are often as high as half of the wages a Bangladeshi migrant can expect to earn under a three-year contract.<sup>iii</sup>

These problems arise as a result of discrepancies between regulations across migration corridors, a lack of enforcement of these regulations, and an unclear mix of legitimate and illegitimate fees. There is very little cross-border policy agreement between governments of destination countries and origin countries as to how to regulate recruitment, leading to a ‘governance gap.’<sup>iv</sup> There is a further problem in the Asia-Middle East corridor of government agencies being effectively ‘captured’ by the recruitment industry. Many countries lack or fail to enforce conflict-of-interest laws forbidding government officials from owning companies they have responsibility for regulating. Mechanisms of enforcement and redress for grievances against recruitment agencies are grossly inadequate, and in the few instances in which migrants make complaints about cheating or fraud, recruitment agencies are powerful enough to influence government officials.

## **Qatar: The Political and Business Landscape**

With its large gas reserves, double-digit growth rates, mega-construction projects, and high demand for labor, Qatar has become one of the top destinations for migrant workers from Asia. In addition to the 1.2 million migrants already employed there, hundreds of thousands more will be recruited for World Cup projects. The rights violations migrants suffer are due not only to the actions of individual employers but to systematic patterns of deception in the recruitment process, routine delays in payment, and the inability to change employers or leave the country even in cases of non-payment. The laws contain detailed provisions protecting workers’ rights, but they are not effectively enforced. This is due to a lack of trained officials, and in some cases a lack of will.

Qatar plays a prominent regional role and has sought to form lasting relationships with western nations. It is sensitive to criticism in the English-language press. But Qatari decision-makers are divided on the issue of labor reform. Some appear to be genuinely committed to change and insist they are looking closely at the construction sector in the lead-up to the World Cup. Others underestimate the scale of the problem and feel that Qatar is being unfairly targeted. Much will be left to the new Emir, thirty-three-year-old Sheikh Tamim bin Hamad al-Thani, and his allies to convince opponents that reform is in Qatar’s best interests.

The Qatar 2022 Supreme Committee for Delivery and Legacy (Q22), Qatar Rail (QRail), and Ashghal (Qatar’s Public Works Authority) are the clients responsible for the majority of World Cup-related projects. All are connected with the Qatari government. They plan to invest more than \$200 billion in construction projects over the next decade. US construction firm CH2M Hill is the World Cup program management contractor and is overseeing coordination with government agencies on large infrastructure projects, including the construction of nine new stadiums and upgrades to three existing ones. Major British firms, including Bechtel (responsible for Doha’s new airport), Balfour Beatty (a major highway), and WSP (a new “Airport City” to house 200,000 people), have already secured contracts worth more than \$20 billion and anticipate further awards. IMI’s main targets for engagement will be these Europe and US-based multi-national firms which are sensitive to criticisms about labor misconduct. Chinese and Korean firms are also likely to be involved, which would present another set of issues because they would most likely recruit their own workers from China.

### III. Micro Context: Significant Players and Our Work

This portfolio encompasses work we are carrying out in relation to the concept, ‘Innovations in Recruitment’, as well as support for the field. As a whole, it seeks to change the landscape, and the paradigm, of recruitment in the Asia-Middle East corridor.

In developing the theory of change for this work, we are cognizant that migration continues to be a highly sensitive issue in the Gulf states, and that there is limited popular support among Gulf citizens to improve the situation. There are also close connections between government and business; both strongly influence mainstream media. Human rights reporting and media coverage by the *Guardian*, among other outlets, has shed light on the problems migrants face and helped place the issue on the political agenda. IMI’s approach is to take advantage of this opening and focus on the incremental reforms needed to resolve these problems.

Very few international organizations are doing this kind of work in the Gulf. Human rights and labor rights groups in the region tend to be mistrustful of the private sector. In the migration field more broadly, very few civil society groups have developed strategies to influence business practices. This is particularly true in the realm of recruitment. Although there is a growing consensus among civil society of the need to tackle the problem of exploitative recruitment agencies, the knowledge base about how to do so is weak.

In light of this, IMI looked beyond its traditional partners in the migrant rights field to other groups with sector-specific expertise and connections. The limited prior involvement of civil society in this space meant that our support needed to extend beyond traditional core support grants to other tools, such as operational assistance to develop new litigation strategies and pilots to promote ethical recruitment models. We also initiated new strands of research to generate knowledge that would pave the way for other organizations to become more actively involved. In many of the projects in this portfolio, IMI works with grantees not only as a funder but also a partner on substantive aspects of the work.

Few other funders work on migration in the Asia-Middle East corridor, and even fewer work in the Gulf. We have sought to bring more resources to this space through outreach to like-minded donors. In part as a result of our coordination, in the last two years two funders have begun supporting work on recruitment and employment in the Gulf – Humanity United and the Swiss Agency for Development and Coordination. As we describe later in this paper, we are also working to galvanize resources in the anti-trafficking sphere.

#### Grantees and Collaborators: What we are doing together

##### I. CONCEPT: Innovations in Recruitment

IMI is pursuing two new business-oriented projects that aim to ensure that the rights of migrants are protected in the recruitment process. Both projects are in the early stages of development.

###### Component 1: Promoting an Alternative Recruitment Model (Projected allocation \$160,000)

The first component is a *demonstration project* led by a for profit recruitment agency, **FSI Worldwide**, to promote an alternative model for ethical recruitment. Its infrastructure and methodology were designed to prevent the most common abuses by recruitment agencies—exorbitant fees charged to migrants, illegal wage deductions, and fraud and deception. To do this, FSI integrates otherwise separate cross-border aspects of the supply chain and assumes direct control over all aspects of the hiring and placement process. This helps it ensure that migrants’ rights are respected and contractual terms are upheld. Regular audits of the system using moles and due diligence on employers are also carried out to ensure integrity. FSI is unique in terms of its methodology and operational capacity on both sides of the Asia-Gulf corridor. The core of its business has been based on recruitment of ex-Gurkhas for the security sector.

*Grantmaking:* IMI has provided a three-year recoverable grant for a pilot project in the United Arab Emirates which will enable FSI to demonstrate its model in the construction sector. Co-funding for a similar pilot project in Qatar is being provided by Humanity United (part of the Omidyar Group). As part of both projects, FSI is developing a metric that will allow it to compare data on migrants recruited through their model versus the status

quo. The hope is that this will give them credible evidence that ethical recruitment makes good business sense: improved productivity, fewer workplace accidents, higher rates of worker retention, and fewer grievances.

Another potential grant would be to the **FAIR Hiring Initiative**, a social enterprise based in the Philippines that develops, tests, and promotes ethical recruitment models. Like FSI, it was created with the explicit aim of demonstrating the business case for responsible recruitment. Both groups play an important role in demonstrating what "good" looks like on-the-ground, but so far they are islands of good practice operating on a relatively small scale. The challenge is to encourage other recruitment agencies to follow suit and drive unscrupulous recruiters out of the market.

*Operational work:* Elizabeth Frantz is a member of the Steering Committee for FSI Worldwide's pilot project in Qatar, which involves a partnership with the Qatar Foundation. Elizabeth will participate in a new **Qatar Construction Industry Forum**, to be launched by the Qatar Railways Company (QRail) in March 2014 to promote best practice in the industry in Qatar and other Gulf countries.

*Funder collaboration:* Elizabeth has formed an informal partnership with **Humanity United** through which we coordinate funding strategies on projects relating to recruitment. This influenced HU's decision to prioritize funding in the Nepal-Qatar corridor to take advantage of opportunities ahead of the 2022 World Cup. In 2014, IMI and HU plan to hold a series of private, in-depth conversations with outside experts about developments in Qatar, potential areas of intervention, and the dangers of some forms of engagement.

Elizabeth is also exploring with the **Soros Economic Development Fund** the potential for an equity investment in FSI Worldwide's recruitment model in 2015 or 2016.

#### Component 2: Consumer Reporting Platform for the Recruitment Industry (Projected allocation \$97,000)

The second intervention involves the design of a TripAdvisor-like platform to publish reviews and comparisons of private recruitment agencies based on reports from migrants, NGOs, and, where available, data from embassies and government agencies that maintain agency "blacklists." The idea is that in the absence of effective government oversight of the industry, increased transparency and fear of negative evaluations could be powerful incentives for recruiters to act responsibly. The idea of a consumer-reporting website has been floated in the past, but leadership and resources have been lacking. One challenge will be creating a platform that is both easily accessible to migrants and designed to mitigate the risk of agencies submitting positive reviews of their own services.

*Operational work and consultancies:* In 2014, IMI will form an informal advisory group to assess the feasibility of this idea. Elizabeth will identify experts on developing digital platforms with the help of the Information Program and will retain a consultant to provide advice on technical and legal aspects. A second consultant will be retained to assess the revenue model, including marketability and scalability.

*Funder collaboration:* IMI is also discussing the possibility of collaboration and co-funding by the **Swiss Agency for Development and Cooperation (SDC)**.

IMI is learning from the online report card system for recruitment agencies in Indonesia which the **TIFA Foundation** has supported through its partner, **Infest**, and with TIFA staff is exploring how to improve it.

We are consulting with the **Humanist Institution for Cooperation with Developing Countries (Hivos)**, a Dutch development organization and grantmaker, on a project Hivos is developing to use ICT applications to enable migrant domestic workers in the Gulf to find and contact one another via SMS and to rate recruitment agencies. Co-funding may be provided by the **Dutch Postcode Lottery**.

## **II. SUPPORT FOR THE FIELD: Recruitment and Employment**

*Research and stakeholder consultations:* Our first partner in this portfolio was **Engineers Against Poverty (EAP)**, a specialist NGO working in the construction sector. Although it has strong links to industry in the Gulf, it had not worked there and did not have an explicit focus on *migrant* construction workers. Together we developed a research project looking at the role construction clients, consultants, and contractors can play in addressing the problems migrants face in Qatar. EAP consulted ten of the main contractors working or bidding on World Cup projects and five representatives of project management consultants advising the Qatar government's main

clients. The resulting research complemented studies being carried out concurrently by **Amnesty International** and **Human Rights Watch** on human rights abuses in the sector. Using the study as a platform for discussion, in January 2014 EAP convened the first meeting of construction industry stakeholders in Qatar to focus on improving employment standards.

Building on EAP's work, IMI is in the early stages of talks with **Constructing Excellence**, a membership organization promoting best practices, about a study analyzing the potential for a ranking mechanism that would use independent audits to score contractors' adherence to labor standards. Given that government inspections are inadequate, this would be a proactive step the industry could take to identify sub-par practices and reward good conduct.

*Grantmaking:* IMI is considering a grant to the **Institute for Human Rights and Business** to create a best practice guide for governments on how to prevent forced labor and improve worker welfare in public procurement processes. This involves a focus on the human rights opportunities (and risks) associated with publically funded infrastructure projects for mega-sporting events.

Another potential partner is the **Business and Human Rights Resource Centre**, an NGO that tracks and publicizes companies' human rights conduct. It draws attention to issues raised by NGOs in the global South through an online platform where reports about abuses can be posted, companies can respond, and 'best practice' can be recognized. They are developing a new line of work on corporate accountability and transparency with respect to the employment of migrant workers in the Gulf.

*Litigation:* In 2013, IMI partnered with **Advocacy Forum**, a Nepali human rights organization, on a project using litigation to demonstrate to government and civil society how Nepal's Foreign Employment Act can be used to deliver justice to migrants who have been exploited by recruitment agencies. The Justice Initiative's Migration Lawyer Simon Cox helped design the project and is providing ongoing support.

In coordination with Simon and the TIFA Foundation, IMI is exploring possibilities of strategic litigation and technical support to law reform advocates to develop more effective justice mechanisms for migrants denied compensation by recruitment agencies in Indonesia.

*Fellowship:* In collaboration with the TIFA Foundation, IMI is retaining Bassina Farbenblum (University of New South Wales Law School) as a Migration Law and Policy Fellow in Asia to provide strategic advice to civil society and government in Indonesia and other countries of origin on ways of improving oversight and regulation of recruitment agencies. She will help to create a Working Group on Migrant Worker Recruitment in Asia consisting of scholars and civil society organizations from around the region.

*Funder collaboration:* Outside the Asia-Middle East corridor, IMI and the **MacArthur Foundation** are coordinating work around labor recruitment in the Mexico/U.S. corridor. We are holding joint discussions with the **Alliance for Ethical Recruitment**, a multi-stakeholder group comprised of migrant organizations, unions, employers, recruiters, and professional associations; **Verité**, a nonprofit organization which monitors working conditions; and the **International Organization for Migration** about innovative approaches that could be taken at the global level, including the creation of a multi-stakeholder platform to monitor and accredit recruitment agencies.

## Other Influential Actors in the Field

There are a number of other influential actors in the Asia-Middle East corridor who are engaging the business sector in diverse ways and with whom we coordinate but, for various reasons, do not fund at present.

### Research, Media and Advocacy Groups

**Human Rights Watch (HRW)** and **Amnesty International (AI)** both play a vital role documenting human rights violations by recruitment agencies and other middlemen. The campaign work of these and other organizations helps mount pressure for reform. IMI uses a different approach, focusing on specific legal and practical changes the Qatari state can make, coupled with reforms and innovations that can be made by engaging business actors. IMI regularly consults and exchanges information with researchers in these organizations but, in light of political sensitivities in the Gulf, avoids publically associating OSF with their work.



The *Guardian* newspaper has become influential in this space through a series of investigative reports it is publishing on labor exploitation in Qatar. **The International Trade Union Confederation (ITUC)** and **Building and Woodworkers International (BWI)** have launched a campaign calling on FIFA to make respect for ILO standards a condition of Qatar hosting the World Cup. They are calling for fundamental reform of the sponsorship system. Their demands are framed in human rights terms but do not appear to be informed by a detailed understanding of existing Qatari law and remedies. They provide an opening for our work, although our approach is different.

#### Quasi-Governmental Entities

In the lead-up to Qatar's hosting of the 2022 World Cup, several semi-private organizations with links to the state are doing work on issues relating to recruitment that indirectly complements IMI's objectives. Chief among them is the **Qatar Foundation (QF)**, a non-profit organization founded by the royal family that is also a major client of the construction industry. QF introduced a set of Mandatory Standards that must be met by all contractors and subcontractors when executing its projects. The Standards require that employers work only with responsible recruiting agents, pay all recruitment costs, and reimburse migrants for any fees they have paid in Qatar or abroad. In 2014, QF plans to publish a list of recommended recruitment companies.

Another significant actor is the **Qatar 2022 Supreme Committee for Delivery and Legacy (Q22)**, the government's coordinating body overseeing infrastructure for the World Cup. It has published its own set of Welfare Standards containing provisions on recruitment. IMI is monitoring its messages and actions and regards it and QF with cautious optimism as potential allies.

Trade unions are not allowed in Qatar, and there are no Qatari organizations working on this issue which are truly independent of the government. There are, however, several quasi-governmental organizations working on migrant worker issues. These include the **National Human Rights Committee (NHRC)**, which consists of members of civil society as well as government ministries and provides legal aid to migrants. The NHRC helps facilitate the work of several of our partners in Qatar, including by acting as a host institution for an employee of the **American Center for International Labor Solidarity** (with which we work on a project outside of this portfolio in Kuwait).

#### UN Agencies and Inter-Governmental Organizations

The **International Labor Organization (ILO)** has developed a new line of work on the recruitment of migrant labor in the Arab region, with a focus on Lebanon and Jordan. It is an important ally for some of our grantees, and we coordinate regularly on programming and policy developments. Although Qatar is a member of the ILO, its restrictions on freedom of association have meant that it has not been a priority country for the ILO. This may be beginning to change, however, and there may be opportunities for IMI to work more closely with the ILO in the Gulf in the coming years. One of IMI's board members, Azfar Khan, is a Senior Migration Specialist with the ILO in Beirut.

The **International Organization for Migration (IOM)** plays a controversial role in this space by acting as a recruitment agency in several corridors (e.g. Guatemala/Canada and Thailand/Israel). Unions have voiced strong opposition to the Guatemala-Canada program, alleging that migrants' labor rights were violated and that those who complained faced unfair dismissal. Its government mandate means that IOM is regarded with suspicion by many civil society organizations. IOM has established the International Recruitment Integrity System (IRIS), a voluntary set of ground-rules for international recruitment to be agreed on by recruiters and employers. IMI coordinates with the IOM on global governance and norm-setting, but are not engaging them as a partner on recruitment.

#### Government Regulators

IMI has consulted with government officials, notably in Indonesia and Nepal, to learn their perspectives on the challenges of regulating cross-border recruitment. A major obstacle is corruption in the form of agencies paying bribes to public officials to set up fake recruitment companies or to avoid investigation. Regulators are a constituency we may target more strategically in the next two years.

#### Responsible Recruitment Agencies and Multi-Stakeholder Initiatives

Outside of the Asia-Middle East corridor, a handful of private companies and multi-stakeholder alliances have emerged to promote due diligence and strengthen labor protections within the recruitment industry. These

include the **International Confederation of Private Employment Agencies (CIETT)** and **ManpowerGroup** (one of the world's largest recruitment agencies), both of which are outspoken advocates for better regulation and enforcement. They are allies to some of our partners, such as the Institute for Human Rights and Business, but not directly involved in IMI's portfolio.

The **Ethical Trading Initiative (ETI)** is an alliance of companies, unions, and NGOs working to improve working conditions in global supply chains. ETI has developed a Base Code of Conduct reflecting international standards with respect to labor practices which all of its member companies are expected to adopt. IMI is following the work of this group and promoting it with grantees, but has yet to identify an opening for funding or other engagement.

#### The Investment Community

One group of actors we may seek to influence in 2015 is the financial sector—specifically established and new responsible investors, hedge funds, and private equity firms. The goal would be to galvanize support for the creation of benchmarks and more effective mechanisms to hold companies accountable for rights violations of those working in their supply chains, including illegal recruitment practices. Increased scrutiny on the part of investors could be a powerful driver for improvements in business behavior.

#### Scholars and Prominent Think Tanks

Although there is widespread agreement that recruitment agencies play an increasingly significant role in migration, their practices and practical solutions to prevent abuse have not received adequate attention by the research community. There is, however, a growing number of scholars examining these issues which IMI may seek to engage. This includes **World Bank Consultant Mary Breeding**, who has studied corruption and the regulation of recruitment in the India-Gulf corridor, and **Chatham House's Senior Research Fellow Jane Kinninmont**, who is undertaking research on the role of business actors in relation to human rights issues and migration in the Gulf states.

#### Collaboration with Anti-Trafficking Funders

Within the migration funding community, a distinction can be drawn between donors supporting work in the anti-trafficking sphere, in which problems associated with recruitment tend to be framed through a criminal justice paradigm (often with a focus on commercial sexual exploitation), versus those who approach them in a broader context of labor exploitation and human rights.<sup>v</sup> IMI is looking for opportunities to promote dialogue across the trafficking-labor migration divide. As a first step, in 2013 IMI and Humanity United organized a convening of donors from both groups to identify points of convergence and explore ways the initiatives we support could be coordinated to maximize impact. We also engage in dialogue with the **US State Department's Office to Monitor and Combat Trafficking in Persons** and **USAID's Center for Democracy, Human Rights, and Governance**, both of which fund anti-trafficking projects with components relating to recruitment.

IMI is also consulting with the **UK Department for International Development (DFID)** on a research project assessing the regulation of recruitment and enforcement practices in five countries in the Asia-Middle East corridor as part of a broader trafficking prevention program involving the ILO.

### III. The Way Forward: Risks and Challenges

This section puts forth questions we would like to discuss relating to potential risks, setbacks, and contextual changes that might require adjustments to our strategy.

#### **Qatar 2022 World Cup: Could New Tactics Be Required?**

Positive steps have been taken by a number of international construction firms; for example, several have committed to paying all costs associated with recruitment, and in some cases are even reimbursing migrants who have been unfairly charged fees by labor agents. Many of these companies are headquartered outside the region, are sensitive to public opinion, and are anxious to avoid accusations of exploitative conduct. Smaller and medium-sized Qatari companies are less susceptible to this pressure and so far have failed to follow suit. There is also an ever-present risk that firms which commit to ethical standards could be undercut by less responsible competitors, particularly Chinese and Korean companies. Ethically-minded firms worry that their commitment to upholding

international labor standards will not be valued by clients in the tendering process, as the *modus operandi* is for contracts to go to the lowest-cost bidder, with little apparent concern for human rights. Two major clients—the Qatar Foundation and Q22—have expressed a clear commitment to holding the contractors they work with responsible for labor protections. But doing so will cost money. Will they and other clients, particularly Ashghal (the largest client in construction), be willing to pay? If not, what tactical changes might we need to make to convince them to do so?

### **Could Qatar Lose the World Cup?**

Major sporting events can have both positive and negative repercussions for human rights. Fear of embarrassing coverage can trigger a crackdown on media freedoms and heightened monitoring and repression of researchers and activists. The example of China is instructive; before, during, and after the Beijing Olympics, the Chinese government blocked local and international press coverage and made it more difficult for groups within the country to exchange information. Although the Qatari government has not resorted to these tactics, it is aware that its reputation is suffering and may try to impede reporting in the future. There is also a risk that it will try to clean up its image in advance of the World Cup, but regress once out of the limelight.

If the ITUC and BWI campaigns succeed, the World Cup could be taken away from Qatar, removing it from the spotlight and reducing pressure to address the problems. How would we adjust? Some recalculation would need to be made, but even without the World Cup construction plays a major role in the Qatari economy. The regime's legitimacy among its own people is at least partially dependent on its international profile, and the government is investing heavily in becoming a global commercial hub and tourist destination. This involves infrastructural improvements in the form of a new airport, roads, and a metro system. The changes IMI seeks to make to business practices and the regulatory environment could still have beneficial impacts without the World Cup.

Finally, while there is a danger that the Qatari government could decide to bunker down and ignore external criticism, there also is a chance that the loss of a major sporting event could convince the Qatari leadership that failing to make improvements would be bad for business in the long run. Previous sporting events have established a precedent. Some analysts view South Africa's sporting ban, which prevented the nation from sending teams to sporting events from 1964 until 1992, as one of the key factors building momentum to end apartheid.<sup>vi</sup>

### **How to Balance Our Diverse Strategies and Manage Public Perceptions?**

As this document has described, IMI is utilizing an arsenal of strategies as part of the business engagement portfolio and other work in the Asia-Middle East corridor. This includes a collaborative approach involving connecting businesses with one another and disseminating information about good practices (e.g. in Qatar), as well as consultative work with governments (e.g. Indonesia) to help them reform grievance mechanisms. It also involves pressure in the form of litigation against unscrupulous business actors and corrupt government officials (e.g. in Nepal and Indonesia). There is a risk that these strategies could clash. For example, could our friendly strategies be compromised by the more aggressive approach we may take in another area? Or could our credibility and legitimacy in the eyes of civil society partners be compromised by work we're pursuing on the 'inside track'? These are risks we are weighing carefully in the context of each of the countries in which we are engaging.

### **How to Cultivate Future Leaders?**

Relatively few civil society organizations in the field of migration have developed strategies aiming to influence the private sector, and even fewer have the experience and connections needed to do this effectively. IMI has led much of the business engagement work described in this portfolio with organizations outside the field (e.g. Engineers Against Poverty) who have relevant expertise but who may not focus on migrant worker issues in the long-term. How can we best identify and cultivate future leaders in the private sector who could champion the cause? How can we build civil society capacity in the migration field to take on these issues?

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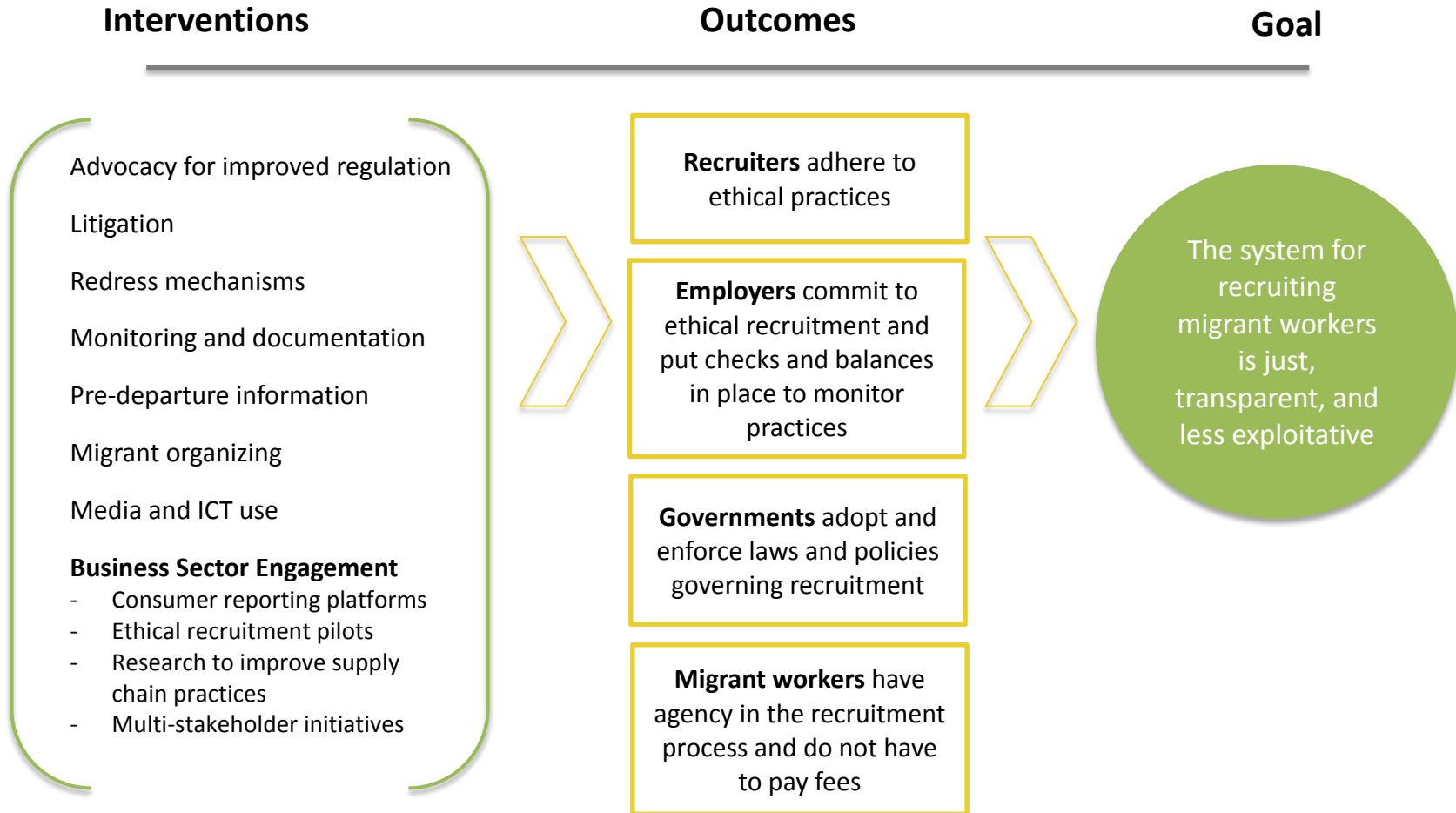
ENDNOTES

- <sup>i</sup> L. Demaret, “Private Employment Agencies: The Challenges Ahead from the Workers’ Perspective,” in *Merchants of Labor*, ed. C. Kuptsch, International Labor Organization (ILO), Geneva, 2006, p161.
- <sup>ii</sup> Phil Martin, “Merchants of labor: Agents of the evolving migration infrastructure”, Discussion paper, International Institute for Labour Studies 2005, p25.
- <sup>iii</sup> Dovelyn Rannveig Agunias, “What we know about regulating the recruitment of migrant workers”, MPI Policy Brief, No. 6, September 2013.
- <sup>iv</sup> For example, according to Qatari labor law, payments by migrants for travel expenses and commissions to Qatari recruitment companies are illegal and should be borne by the Qatari employer. But Nepali regulations allow Nepali recruitment agencies to collect these fees up to NPR 70,000 (US \$706); in reality, according to World Bank research, the cost of migration to Qatar for Nepalis averages around US \$1,216. It can take six months or more for a migrant to repay this. See Endo, Isaku and Afram, Gabi G. “The Qatar-Nepal Remittance Corridor: Enhancing the Impact and Integrity of Remittance Flows by Reducing Inefficiencies in the Migration Process”, World Bank, 2011.
- <sup>v</sup> This distinction, and the need for greater collaboration between the two groups, was the subject of OSF Fellow Janie Chuang’s 2012 fellowship project.
- <sup>vi</sup> Carlin, John. *Playing the Enemy: Mandela and the Game That Made a Nation* (New York: Penguin, 2008).

Appendix 1

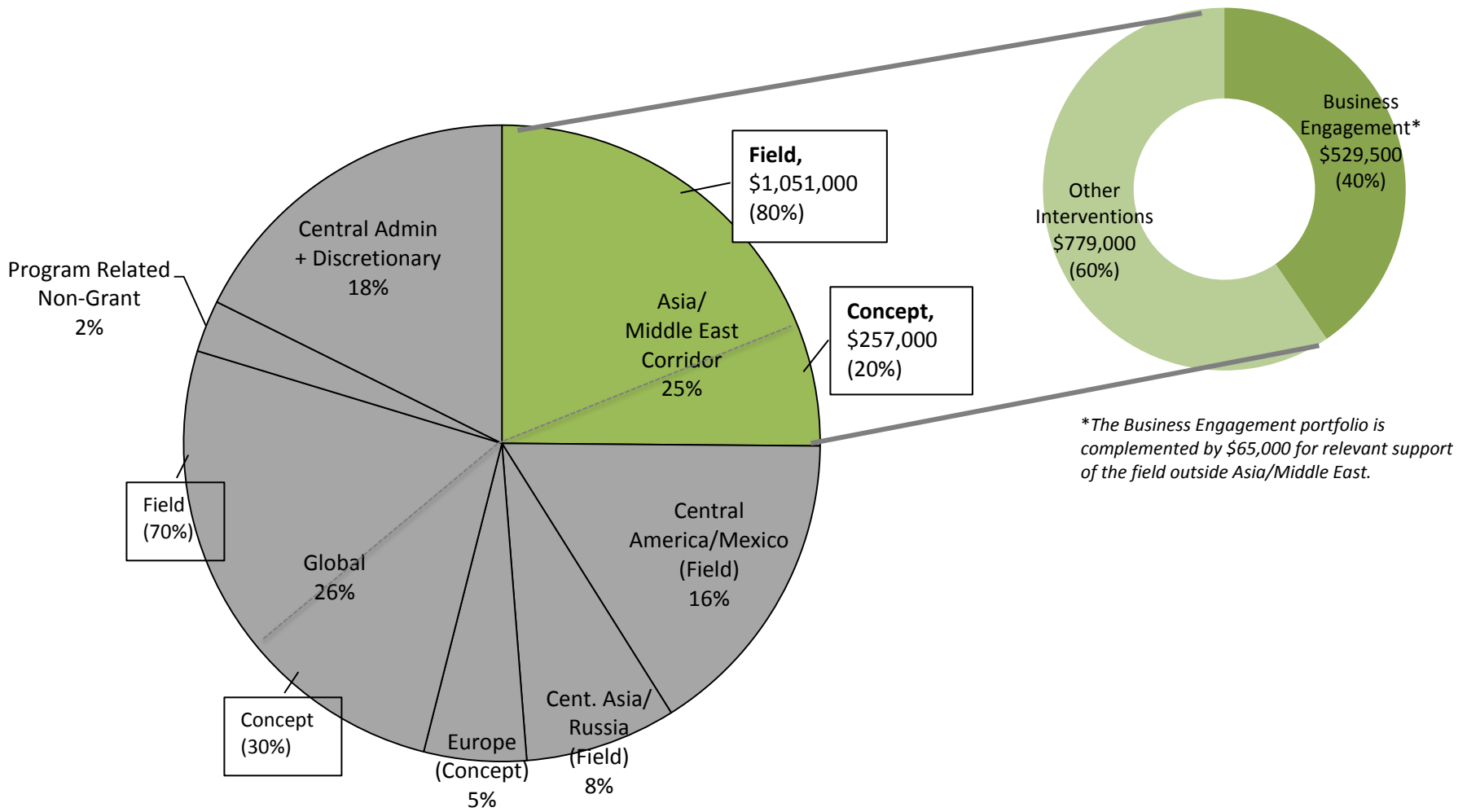
## Theory of Change for Labor Recruitment

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Appendix 2

IMI 2014 Budget

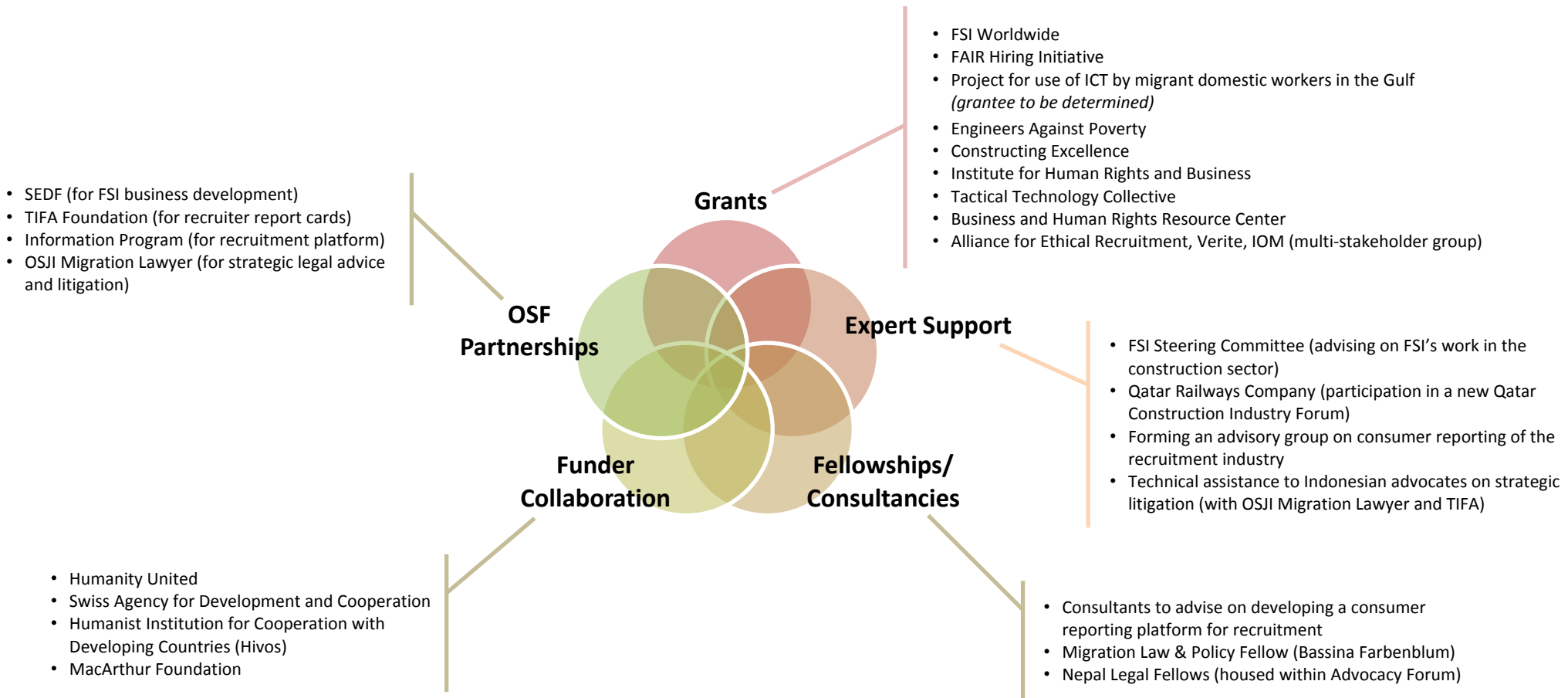


IMI 2014 Budget (\$5.2 million)  
Fields and Concepts

\*The Business Engagement portfolio is complemented by \$65,000 for relevant support of the field outside Asia/Middle East.

## Appendix 3

# About Our Partners: Relationship with IMI Business Engagement Portfolio



## Appendix 4

## 2014 Grants &amp; Fellowships/Consultancies

## Business Engagement Portfolio

ORGANIZATION	STATUS	AMOUNT	DESCRIPTION
<b>CONCEPT: INNOVATIONS IN RECRUITMENT</b> ( <i>Allocation: \$257,500</i> )			
FSI Worldwide	2013 project underway	\$70,000 (potential)	To demonstrate how the most common sources of abuse and exploitation can be prevented through fair and ethical recruitment practices. <i>2013 project (\$90,000) underway; potential 2014 follow-up project in Qatar.</i>
FAIR Hiring Initiative	In early exploration	\$90,000	To prevent forced labor and debt bondage among Filipino migrants.
Consultancies for consumer reporting web platform	In development	\$47,500	To assess feasibility and guide the development of a consumer reporting platform for the recruitment industry.
Project for use of ICT by migrant domestic workers in ( <i>grantee to be determined</i> )	In development for Q3 2014	\$50,000	To develop a project to help migration domestic workers in the Gulf find and contact one another using SMS and to rate recruitment agencies. Consultations underway with the Humanist Institution for Cooperation with Developing Countries (Hivos); co-funding may be provided by the Dutch Postcode Lottery.
<b>SUPPORT FOR THE FIELD, re: Business Engagement Asia/Middle East</b> ( <i>Allocation: \$272,000</i> )			
Engineers Against Poverty	In development	\$50,000	To explore actions the construction industry can take to improve employment standards and supply chain management in Qatar. <i>2012-2013 project (\$104,000) completed; 2014 follow-up project in development.</i>
Constructing Excellence	In development for Q3 2014	\$45,000	To create a feasibility study analyzing the potential for a ranking mechanism based on audits rating contractors' adherence to labor standards in Qatar's construction sector.
Institute for Human Rights and Business	In development for Q2 2014	\$40,000 ( <i>plus \$35,000 Global</i> )	To create a best practice guide for governments on how to improve worker welfare in public procurement processes, with a focus on mega-sporting events. <i>\$75,000 (\$40,000 for Asia/Middle East, plus \$35,000 for global work)</i>
Tactical Technology Collective	In development for Q3 2014	\$50,000	To enable information dissemination and human rights reporting by migrants in the Gulf using ICT applications and text messaging.
Business and Human Rights Resource Center	In early exploration	\$40,000	To create a section on the BHRRC online portal focused on recruitment and the human rights practices of corporations.
Alliance for Ethical Recruitment, Verité, and IOM	In development	\$0 ( <i>\$30,000 Global</i> )	To explore the creation of an international multi-stakeholder platform to monitor and accredit recruitment agencies.
Nepal Legal Fellows (housed in Advocacy Forum)	2013 project underway	\$0	To use litigation to demonstrate to government and civil society actors how Nepal's Foreign Employment Act can be used to deliver justice to migrants who have been tricked or exploited by recruitment agencies. <i>2013-2015 project (\$171,200) underway.</i>
Migration Law & Policy Fellow (Bassina Farbenblum)	To start Q2 2014	\$47,000	To provide strategic advice to civil society and government in Indonesia and other countries of origin on ways of improving oversight and regulation of recruitment agencies.